

Trial Clerk to the Judge. Effective August 31, 1995

Authority: 5 U.S.C. 3301 and 3302; E.O. 10577, 3 CFR 1954-1958 Comp., P. 218.

Office of Personnel Management.

Lorraine A. Green,

Deputy Director.

[FR Doc. 95-24019 Filed 9-27-95; 8:45 am]

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OFFICE OF SCIENCE AND TECHNOLOGY POLICY

Meeting of the President's Committee of Advisors on Science and Technology

ACTION: Notice of meeting.

SUMMARY: This notice sets forth the schedule and summary agenda for a meeting of the President's Committee of Advisors on Science and Technology (PCAST), and describes the functions of the Committee. Notice of this meeting is required under the Federal Advisory Committee Act.

DATES AND PLACE: October 23 and 24, 1995. The White House Conference Center, Truman Room, Third Floor, 726 Jackson Place NW, Washington, DC 20500.

TYPE OF MEETING: Open.

PROPOSED SCHEDULE AND AGENDA: The PCAST will meet in open session on Monday, October 23, 1995, at approximately 9:00 AM on current activities of the Office of Science and Technology Policy (OSTP) and the National Science and Technology Council (NSTC). This session will end at approximately 12:00 Noon. The Committee will reconvene in open session at approximately 1:30 PM to discuss science and technology policies of national importance. This session will end at approximately 5:00 PM.

The Committee will meet again in open session on Tuesday, October 24, 1995, at approximately 9:00 AM, for a general discussion among Committee members and other Executive Office staff about future PCAST activities. This session will end at approximately 12:00 Noon.

Any of the morning or afternoon sessions may be interrupted for the PCAST to gather at the White House to be introduced to the President and/or Vice President of the United States.

FOR FURTHER INFORMATION CONTACT: For information regarding time, place, and agenda, please call Gail S. Williams or Laurel Kayse, (202) 456-6100, prior to 3:00 PM on Friday, October 20, 1995. Other questions may be directed to Angela Phillips Diaz, Executive

Secretary of PCAST, or Gail S. Williams, (202) 456-6100. Please note that public seating for this meeting is limited, and is available on a first-come, first-served basis.

SUPPLEMENTARY INFORMATION: The President's Committee of Advisors on Science and Technology was established by Executive Order 12882, as amended, on November 23, 1993. The purpose of PCAST is to advise the President on matters of national importance that have significant science and technology content, and to assist the President's National Science and Technology Council in securing private sector participation in its activities. The Committee members are distinguished individuals appointed by the President from non-Federal sectors. The PCAST is co-chaired by John H. Gibbons, Assistant to the President for Science and Technology, and by John Young, former President and CEO of Hewlett-Packard Company.

Dated: September 25, 1995.

Barbara Ann Ferguson,

Assistant Director for Budget and Administration, Office of Science and Technology Policy.

[FR Doc. 95-24129 Filed 9-27-95; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

Forms Under Review by the Office of Management and Budget

Agency Clearance Officer: Michael E. Bartell, (202) 942-8800

Upon Written Request, Copy Available From: Securities and Exchange Commission, Office of Filings and Information Services, 450 Fifth Street, N.W., Washington, DC 20549

Proposed Amendments:

Form N-1A
File No. 270-21

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1980 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission ("Commission") has submitted for OMB approval proposed amendments to Form N-1A under the Securities Act of 1933 (the "Securities Act") and the Investment Company Act of 1940 [15 U.S.C. 80a *et seq.*] (the "Investment Company Act").

Form N-1A is the registration statement required for open-end registered investment companies ("funds") under the Investment Company Act and the Securities Act. A registration statement on Form N-1A must contain such information as the

Commission has determined to be necessary or appropriate in the public interest or for the protection of investors. Form N-1A requires funds to include in their prospectuses, among other items, disclosure about sales charges and a table setting forth those charges (the "fee table").

The Commission proposed amending Form N-1A to reflect the new types of deferred sales loads permitted by the amended rule 6c-10. The amendments would add new item 7(g) to Form N-1A to require funds to disclose in their prospectuses the price on which the load is based (e.g., whether the load is based on the fund's net asset value at the time of purchase or redemption), the amount of deferred sales loads, if any, imposed on shares acquired through reinvested distributions, and the way in which the load is calculated (e.g., a specified percentage of the fund's net asset value). This information also would have to be reflected in the fund's fee table. In addition, item 7(g) would require funds to disclose any deferred sales loads charged on reinvested dividends or other distributions and to disclose the way in which an investor may be required to pay any installment load (e.g., through the withholding of dividend payments). Under revised Guidelines to Form N-1A, funds would be required to briefly describe any tax consequences for shareholders related to an installment load. Finally, proposed amendments to Instruction 1 to Item 22(b)(i) of Form N-1A would require deferred sales loads to be included in calculating a fund's advertised total return. Some of these requirements do not entail any additional paperwork burden because the amendments cover many of the operational aspects that have been mandatory for all funds under rule 6c-10 and already are required to be disclosed in the prospectus. The fee tables of funds that impose contingent deferred sales loads ("CDSLs"), for example, must include certain information about these charges.

The Commission expects that funds that currently impose CDSLs are likely to continue to impose these charges or assess the other types of deferred sales loads permitted under the amendments. It is estimated that the number of funds that currently charge CDSLs is approximately 550. Based on its experience with the industry, the Commission estimates that, as a result of the disclosure requirements proposed by the amendments, the burden on a fund that imposes a deferred sales load would increase by 2/10 of an hour. It is estimated that an increase of 110 total burden hours would be expended in

connection with the proposed disclosure requirements.

General comments may be directed to the OMB Clearance Officer for the Securities and Exchange Commission at the address below. Comments concerning the accuracy of the estimated average burden hours for compliance with Commission rules and forms should be directed to Michael E. Bartell, Associate Executive Director, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549, and to the Securities and Exchange Commission's Clearance Officer, Office of Information and Regulatory Affairs, Paperwork Reduction Act number 3235-0307, Office of Management and Budget, Room 3228, New Executive Office Building, Washington, DC 20543.

Dated: September 5, 1995.

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 95-24095 Filed 9-27-95; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-36270]

Order Extending Exemption for Certain Brokers and Dealers From Broker-Dealer Registration

September 22, 1995.

AGENCY: Securities and Exchange Commission.

ACTION: Extension of exemption.

SUMMARY: The Securities and Exchange Commission is extending the exemption for persons acting as brokers or dealers with respect to certain categories of over-the-counter derivative instruments, to the extent that such instruments are securities, from the broker-dealer registration requirement under Section 15(a) of the Securities Exchange Act of 1934. As extended, the exemption is retroactive to June 6, 1934, the date of the enactment of the Securities Exchange Act of 1934, and will expire September 30, 1996.

EFFECTIVE DATE: September 22, 1995.

FOR FURTHER INFORMATION CONTACT: Catherine McGuire, Chief Counsel, Patrice Gliniecki, Senior Counsel, or Glenn Jesse, Senior Counsel, (202) 942-0073, Office of Chief Counsel, Division of Market Regulation, Mail Stop 5-10, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549.

SUPPLEMENTARY INFORMATION:

I. Background

On December 22, 1994, the Securities and Exchange Commission

("Commission") issued an order under Section 15(a)(2) of the Securities Exchange Act of 1934 ("Exchange Act") exempting persons acting as brokers or dealers with regard to certain categories of over-the-counter ("OTC") derivative instruments, to the extent such instruments are securities, from the broker-dealer registration requirement under Section 15(a) ("Exemptive Order").¹ In issuing the Exemptive Order, the Commission recognized the importance of derivative instruments as financial management tools, and sought to provide assurance to market participants in light of questions regarding the proper statutory and regulatory designation of certain OTC contracts. Such concerns, it was noted, are compounded by the trend among dealers to conduct a range of OTC derivatives activities in unregistered entities, either here or abroad, or in separately capitalized derivative product companies.

Market participants have indicated to the Commission staff that the exemption set forth in the Exemptive Order has proved useful in addressing concerns regarding the status of various OTC derivative instruments.² Therefore, in order to continue to provide certainty to participants in the OTC derivatives market with respect to their registration obligations under the Exchange Act, the Commission is exercising its authority under Section 15(a)(2) of the Exchange Act to extend the exemption covering persons acting as brokers or dealers regarding certain categories of OTC derivative instruments, to the extent such instruments are securities, from the broker-dealer registration requirement under Section 15(a).

II. Discussion

A. Scope of Order

This order extends the exemption for persons acting as brokers or dealers with regard to transactions in certain classes of OTC options, to the extent such options are securities, from the broker-dealer registration requirement under

Section 15(a) of the Exchange Act. This exemption only applies to transactions involving individually negotiated, cash-settlement OTC options on debt securities or groups or indexes of such securities that (1) are documented as swap agreements, and (2) satisfy the terms of the exemption from regulation under the Commodity Exchange Act adopted by the Commodity Futures Trading Commission ("CFTC"), which is set forth at 17 CFR Part 35 ("Part 35 Rules").³ In addition, to the extent any person satisfies the conditions of the exemption, the Division of Market Regulation has indicated that it would not recommend enforcement action if such persons do not comply with the various statutory and regulatory requirements otherwise imposed on a "broker" or "dealer" as defined in Sections 3(a)(4) and 3(a)(5) of the Exchange Act.⁴ Such persons, however, remain subject to the antifraud provisions under the federal securities laws including, but not limited to, the provisions of Section 17(a) of the Securities Act of 1933, Sections 10(b) and 15(c) of the Exchange Act, and Rules 10b-5 and 15c1-2 thereunder.

B. Clarification

The Commission notes that questions have arisen regarding the specific application of the requirements set forth above. For example, certain persons seeking to avail themselves of the exemption have asked whether transactions within the scope of the exemption must be documented using master agreements formulated by the International Swaps and Derivatives Association ("ISDA"). Some market participants prefer to use their own documentation for these transactions rather than standardized agreements. Also, certain OTC derivatives transactions based on foreign debt securities or documented using non-U.S. master agreements developed specifically for foreign domestic markets. Accordingly, the requirement

¹ Exchange Act Release No. 35135 (Dec. 22, 1994), 59 FR 67358 (Dec. 29, 1994). The Exemptive Order was issued concurrently with the issuance of an order instituting proceedings pursuant to Section 8A of the Securities Act of 1933 and Sections 15(b) and 21C of the Exchange Act, and findings and other imposing remedial sanctions in the Matter of BT Securities Corporation. Exchange Act Release No. 35136 (Dec. 22, 1994).

² See Letter from Zachary Snow, Chairman, OTC Derivative Products Committee, Securities Industry Association ("SIA"), to Brandon Becker, Director, Division of Market Regulation, dated July 31, 1995; Letter from Brandon Becker, Director, Division of Market Regulation, to Zachary Snow, Chairman, SIA OTC Derivative Products Committee, dated June 28, 1995.

³ Individually negotiated, cash-settled OTC options on debt securities that may satisfy these criteria could include (1) options on prices of debt securities; (2) options on yields of debt securities; (3) options on the difference, or spread, between the yields of two or more debt securities, the spread between the prices (or other value) of two or more debt securities, or the spread between yields and prices involving two or more debt securities; and (4) options on the spread between the price (or other value) or yield on one or more debt securities and the price (or other value) or yield of any other asset or index (other than a equity security or a group or index of equity securities).

⁴ In addition, the Commission staff will respond promptly to no-action, exemptive, or other requests submitted by brokers or dealers that require relief from specific provisions of the federal securities laws.